

# Chapter 06

## Rules for All Licensees

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## ***Rules for Conducting a Gambling Activity***

### **230-06-001 Defining "operator."**

"Operator" means any person who buys or otherwise receives gambling equipment for use in authorized gambling activities from a manufacturer or distributor and operates or displays that equipment.

[Statutory Authority: RCW 9.46.070 (14).]

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### **230-06-005 Accept checks in gambling activities.**

(1) Licensees may accept a check in the place of cash from a player for authorized gambling activities if

- (a) The check is not a third party check drawn on a personal account or a counter check from the licensee's business; and
- (b) The personal check is dated the same day it is offered and fully negotiable when accepted; and
- (c) The check is not from a player who owes the licensee money from a previous returned personal check. If the licensee uses a check guarantee and collection service, the licensee may disregard this subsection.

(2) If licensees accept a check that violates these requirements, we consider it a violation of the rules against extending credit.

[Statutory Authority: RCW 9.46.070 (11) and (20).]

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### **230-06-010 Age restrictions for players.**

Licensee must not allow anyone under the age of eighteen to participate in gambling activities except:

- (1) To play in licensed bingo games when accompanied by an adult member of his/her immediate family or a guardian, who is at least eighteen years old. "Immediate family" means only the spouse, parents, or grandparents of an individual. "Guardian" means only a court-appointed, legal guardian of an individual; or
- (2) To play bingo at agricultural fairs or school carnivals; or
- (3) To play amusement games; or
- (4) To sell raffle tickets.

[Statutory Authority: RCW 9.46.070 (14) and (20); RCW 9.46.0331; RCW 9.46.110 (2)(a).]

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### **230-06-015 Prevent intoxicated persons from operating or playing gambling activities.**

Licensees must not allow any person visibly intoxicated or visibly under the influence of any narcotic or other substance to operate or play any gambling activity.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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### **230-06-020 Restrictions on alcohol as prizes.**

Licensees must not offer or award beverages that contain alcohol as a prize or in place of a prize for any gambling activity except:

- (1) Dice or coin contests for music, food, or beverage payment as authorized by RCW 9.46.0305; and
- (2) Unlicensed members-only raffles authorized by RCW 9.46.0315, but only if the liquor control board granted the appropriate permit; and
- (3) Other gambling activities where the liquor control board has authorized alcohol as a prize.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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### **230-06-025 Restrictions on firearms as prizes.**

Only charitable or nonprofit organizations operating a raffle may award firearms, air guns, or other mechanical devices which are capable of discharging dangerous projectiles, including but not limited to, BB or CO<sub>2</sub> guns, rifles, shotguns, pistols or revolvers, or crossbows as a prize. If the prize awarded is restricted from transfer by state or federal law, the licensee must award the winner a certificate, redeemable by a licensed firearms dealer.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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### **230-06-030 Restrictions and conditions for gambling promotions.**

Licensees may conduct gambling promotions to encourage players to participate in a gambling activity, but you must follow these restrictions and conditions:

- (1) Promotional items must not exceed five hundred dollars each; and
- (2) You must give all players an equal opportunity to participate; and
- (3) You must establish standards to determine how you will give promotional items to players. You must not give the items based on an element of chance, such as a drawing or spinning wheel, unless you are doing so as part of a bingo game; and
- (4) You must not give another chance to participate in a gambling activity as a promotional item; and

- (5) You must display all rules or restrictions clearly in the gambling area and include them on promotional materials or advertisements; and
- (6) You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 9.46.0356.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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### **230-06-035 Offer no credit, loans, or gifts.**

- (1) Licensees, employees, or members must not extend credit, make loans, or give gifts to any person playing in an authorized gambling activity or which makes it possible for any person to play in an authorized gambling activity.
- (2) Gifts are items licensees give to their customers. Licensees must not connect these gifts to gambling activities we regulate unless the gifts are:
  - (a) Gambling promotions; or
  - (b) Transportation services to and from gambling activities; or
  - (c) Free or discounted food, drink, or merchandise which
    - (i) Costs less than five hundred dollars per individual item; and
    - (ii) Must not be traded back to you for cash; and
    - (iii) Must not give a chance to participate further in an authorized gambling activity.
- (3) You must collect the price required to participate in the gambling activity in full before allowing someone to participate. Licensees must collect cash, check, or electronic point-of-sale bank transfer.
- (4) If the price paid for the opportunity to play a punch board or pull-tab series is ten dollars or less, licensees may collect the price immediately after the play is completed.
- (5) If a charitable or nonprofit organization has a regular billing system for all of the activities of its members, it may use its billing system in connection with the playing of any licensed activities as long as the organization limits play to full and active members of its organization.
- (6) Charitable or nonprofit organizations may allow credit cards, issued by a state-regulated or federally-regulated financial institution, for payment to participate in raffles.

[Statutory Authority: RCW 9.46.070 (11), (14), and (20).]

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### **230-06-040 Record gambling promotional items awarded by charitable and nonprofit organizations.**

Charitable and nonprofit organizations must keep a written record for each gambling promotional item awarded that has an actual cost over one hundred dollars. The record must contain, at least:

- (1) How the organization selected the recipients of the promotional items; and

- (2) The number of promotional items awarded; and
- (3) The cost of each promotional item.

[Statutory Authority: RCW 9.46.0209 and RCW 9.46.070 (8), (14), and (20).]

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**230-06-045 Conduct gambling activities on licensed business premises only.**

- (1) Licensees must conduct all gambling activities on the licensed business premises, except for raffle ticket sales.
- (2) Charitable or nonprofit organizations licensed to conduct bingo and punch board and pull-tab games may sell punch boards and pull-tabs to customers of a licensed card room if the charitable or nonprofit organization:
  - (a) Shares a common wall with the card room; and
  - (b) Controls all doors, counters, or windows allowing customer access through the common wall between the two premises and the charitable or nonprofit organization can securely close and lock the doors, counters, or windows; and
  - (c) Keeps and sells the punch board and pull-tab games and redeems prizes only on their licensed business premises. Punch board and pull-tab players may take already purchased punch boards and pull-tabs into the card room area; and
  - (d) Allows only its employees to sell the punch board and pull-tabs; and
  - (e) Posts signs at the door, window, or counter common to the two business premises that clearly notify customers of the organization's identity.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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**230-06-050 Review of electronic or mechanical gambling equipment.**

- (1) Persons who wish to submit gambling equipment, supplies, services, or games for our review to verify compliance with RCW 9.46 and WAC 230 must pay the application deposit before we perform the review. They must also reimburse us for any additional costs of the review.
- (2) We may require manufacturers to submit electronic or mechanical gambling equipment for review. To allow for continued testing and training, staff may keep any equipment submitted for review for as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.
- (3) Licensees must operate equipment identical to the version staff approved.

[Statutory Authority: RCW 9.46.070 (5), (14), and (20).]

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## ***Notifying Law Enforcement, Posting Public Notices, and Recordkeeping***

### **230-06-055 Notify law enforcement of gambling activity.**

- (1) Licensees must notify, in writing, local law enforcement agencies after we issue their license and before they begin to conduct any activity under the license.
- (2) Licensees must tell local law enforcement agencies
  - (a) The address where they will conduct the gambling activity; and
  - (b) The type of gambling activity licensed; and
  - (c) The first date they will conduct the gambling activity; and
  - (d) The proposed schedule for the operation of the gambling activity if they plan to conduct the activity on a regular basis.
- (3) Licensees must not conduct the activity until they have made the notification.

[Statutory Authority: RCW 9.46.070 (13), (14), and (20).]

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### **230-06-060 Maintain copy of commission rules on business premises.**

Licensees must maintain a current version of our rules on their business premises. If any person asks to see our rules, the licensee must produce the rules for that person.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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### **230-06-065 Display copies of all licenses or have them present on business premises.**

- (1) Licensees must prominently display all gambling activity licenses or permits we have issued in the gambling area of their business premises.
- (2) Licensees must have these licenses and permits ready for our inspection, other law enforcement, and the public at all times.
- (3) Card room employers may choose not to display employee licenses, but must maintain a copy of all card room employees' licenses, proof of licensing, or applications if we have not issued a license, on the licensed premises at all times.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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### **230-06-070 Keep monthly records.**

Every person or organization licensed to operate any gambling activity must maintain permanent monthly records of all financial transactions directly or indirectly related to gambling activities. The licensee must include all financial transactions in enough detail to prove compliance with recordkeeping requirements for the specific gambling activity.

- (1) Every licensee must record for each licensed activity:
  - (a) The gross gambling receipts; and
  - (b) Full details on all expenses; and
  - (c) The total cost of all prizes paid.
- (2) Commercial stimulant licensees must also record:
  - (a) Gross sales of food and drink for consumption on the business premises; and
  - (b) Gross sales of food and drink for consumption off the business premises; and
  - (c) Gross sales from all other business activities occurring on the business premises.
- (3) Licensees must record each licensed activity separately and include all transactions occurring during the calendar month. Licensees must complete these records and have them available for audit or inspection by our agents or other law enforcement no later than thirty days following the end of each month.
- (4) Licensees must include copies of all additional financial data which support tax reports to any governmental agency.
- (5) Licensees must maintain each of these records for at least three years from the end of the fiscal year.

[Statutory Authority: RCW 9.46.070 (8), (9), (11) and (14).]

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### **230-06-075 Removal of equipment or records for inspection.**

- (1) If we believe with a reasonable probability that you, your employees, or your members are violating or have violated the provisions of chapter 9.46 RCW, its amendments, or any of our rules, we may remove, inspect, and investigate any records, equipment, parts, and devices of any nature located on your premises that relate to the licensed activity or any other gambling activity.
- (2) We also may remove records from your premises or control because of an inadequate working environment.
- (3) If we receive a written request from you, we will provide you with copies of retained records.
- (4) After the case is resolved, we will return all records, equipment, parts, and devices to the premises or to your address.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

## ***Reporting Changes to Application Information***

### **230-06-080 Report changes to application information and submit updated documents and information.**

- (1) Licensees must notify us in writing if any information filed with the application changes in any way within thirty days of the change.
- (2) Licensees must submit to us any new or updated documents and information, including the following:
  - (a) Articles of incorporation or by laws, or any other documents which set out the organizational structure and purposes; and
  - (b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of your organization or business activities in Washington; and
  - (c) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations; and
  - (d) Internal Revenue Service tax deductible status of contributions for charitable and nonprofit organizations.

[Statutory Authority: RCW 9.46.070 (14) and (20); RCW 9.46.153 (1) and (4).]

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## ***Reporting Criminal, Civil, and Administrative Actions***

### **230-06-085 Report criminal actions filed.**

- (1) Licensees must report to us in writing within thirty days all criminal actions filed against the licensee, the business organization, or any person holding a substantial interest, or manager of the licensed gambling activity.
- (2) We must receive a copy of the final written decision or settlement within thirty days after the case is resolved.

[Statutory Authority: RCW 9.46.070 (14) and (20); RCW 9.46.153 (1) and (4).]

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### **230-06-090 Report civil and administrative actions filed.**

- (1) All licensees must report to us in writing within thirty days all administrative actions filed against them from other gambling regulatory agencies, including those from other countries and Indian tribes.
- (2) Licensed organizations must report to us in writing within thirty days all civil and administrative actions that are filed by or against the organization, or any person holding a substantial interest, or manager of the licensed gambling activity. Actions include, but are not limited to,
  - (a) Divorces; and
  - (b) Bankruptcy; and
  - (c) Tax liens; and
  - (d) Business dissolutions.
- (3) The report must consist of a complete copy of the original documents filed. Licensees must notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.
- (4) For cases involving patent infringement on gambling equipment, licensees must send only the final written decision or settlement.
- (5) We must receive a copy of the final written decision or settlement within thirty days after the case is resolved.

[Statutory Authority: RCW 9.46.070 (14) and (20); RCW 9.46.153 (1) and (4).]

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## ***Changing Names or Locations***

### **230-06-095 Change given name, trade name, or corporate name.**

Licensees must notify us and pay a fee for any change to their given name, trade name, or corporate name on their license at least thirty days before the actual change date.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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### **230-06-100 Changing business locations.**

(1) Licensees must apply to us and pay a fee to change the location of their licensed business premises. Licensees must receive our approval before changing the business location.

(2) Commercial amusement game licensees may add or delete from the list of locations for which we issued their license without paying a fee.

[Statutory Authority: RCW 9.46.070 (14), and (20).]

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## ***Changing Management or Ownership***

### **230-06-105 Report change of management.**

(1) Licensees must report in writing changes made to their organization's management, directors, officers, or position that makes management decisions directly affecting the operation of their licensed gambling activity. We provide the forms to report these changes.

(2) If you are a commercial business licensee, you must report within thirty days.

(3) If you are a charitable or nonprofit organization licensee, you must report the changes when renewing your annual license.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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## ***Sales and Transfers of Equipment, Products, and Services***

### **230-06-110 Buy, sell, or transfer gambling equipment.**

- (1) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license.
- (2) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.
- (3) The only exceptions to this rule are Class F and house-banked card room applicants. After receiving written approval from us, Class F and house-banked card room applicants may purchase and possess gambling equipment during the pre-licensing process.
- (4) Licensees may transfer gambling equipment as a part of a sale of a business as long as the condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including commission identification and inspection services stamp numbers. Licensees must report these transfers, including a copy of the inventory record, to us.

[Statutory Authority: RCW 9.46.070 (14) and (20); RCW 9.46.310.]

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### **230-06-115 Using checks or credit cards to purchase gambling equipment, products, or services.**

- (1) Licensees may use checks or credit cards from state- or federally-regulated financial institutions to purchase gambling equipment, devices, related supplies or paraphernalia, and services.
  - (a) Checks must be drawn on the licensed buyer's business account or on the personal account of an owner, partner, or officer or substantial interest holder of a corporate licensee; and
  - (b) Checks must be negotiable and dated on or before the delivery date of the product or service.
- (2) Licensees must deposit checks at their bank within:
  - (a) Ten calendar days after the date the licensee delivered the product or service; or
  - (b) If delivered by mail, thirteen days from the date postmarked on the envelope containing the payment.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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**230-06-120 Sell or transfer gambling equipment to manufacturers or distributors.**

(1) If we have revoked your operator or distributor license, your license has expired, or you have voluntarily surrendered your license, you may sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor.

(2) Transfers of gambling equipment in this manner are subject to the following requirements:

- (a) The transfer must be complete within thirty days of the date the license became invalid; and
- (b) Distributors must use the cash or credit against amounts they owe manufacturers; and
- (c) Operators or distributors selling the equipment must report to us within ten days of the transaction a complete inventory of all the gambling equipment transferred, including commission identification and inspection services stamp numbers; and
- (d) Manufacturers or distributors receiving the equipment must prepare a credit memorandum and retain it with their records.

[Statutory Authority: RCW 9.46.070 (14) and (20).]

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## ***License Renewals***

### **230-06-125 Renew your license in a timely manner.**

- (1) Licensees must ensure a properly completed renewal application and all applicable fees are received at our headquarters fifteen days before the expiration date on their license.
- (2) If licensees do not submit a properly completed application and all fees, their license expires, and they must immediately stop the gambling activity covered by their license.
- (3) If your license expires, you must submit a new application and you must not operate until a new license is issued.

[Statutory Authority: RCW 9.46.070 (1-5), (14), and (20).]

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### **230-06-130 Exceeding license class.**

- (1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.
- (2) Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license, they must immediately:
  - (a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and
  - (b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee.
- (3) If we issue a license upgrade, it is valid only for the remainder of the original term of the license.
- (4) Licensees may exceed license class limits once, by the amount shown in the fees table, without having to upgrade or pay the penalties as long as they upgrade to the higher license class the next time they renew their license.

[Statutory Authority: RCW 9.46.070 (1-6), (14), and (20).]

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### **230-06-135 Failing to apply for license class upgrade.**

- (1) If licensees fail to apply for a license class upgrade and exceed the license class limit within a present or previous license year, we assess an exceeding license class fee. We charge a fee of fifty percent of the difference between our fees for the present license class and the new license class, or one thousand dollars, whichever is less.
- (2) Licensees must pay the proper fee plus all upgrade fees within thirty days of our notification.
- (3) Failure to pay the fees may result in an immediate summary suspension of all licenses.

[Statutory Authority: RCW 9.46.070 (5), (6), (14), and (20); RCW 9.46.075 (1).]

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**230-06-140 Partial refund of license fees if gambling receipts limit not met.**

(1) Licensees may apply for a partial refund of their license fee when their annual gross gambling receipts are less than the minimum for the class of license we issued to them.

(2) Licensees may receive a refund for the difference between the fees actually paid and the fees that would normally apply to the level of gross gambling receipts actually received during the period.

(3) Licensees may make their request for refund after the end of any annual license period and before the end of the next annual license period.

[Statutory Authority: RCW 9.46.070 (5), (6), (14), and (20).]

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**230-06-145 Surrendering suspended or revoked licenses.**

If we suspend or revoke your license, you must, on demand, surrender the license and return it to us.

[Statutory Authority: RCW 9.46.070 (14), and (20).]